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*The Principles of Rating practically considered.* With a complete digest of all the important cases. By EDWARD BOYLE, of the Inner Temple, and GEORGE HUMPHREYS DAVIES, Fellow of the Surveyors' Institution, *etc., etc.* London, Estates Gazette Office, 1890. — 8vo, xxvii, 712 pp.

*Urban Rating.* Being an Inquiry into the Incidence of Local Taxation in Towns, with special reference to current proposals for change. By CHARLES HENRY SARGANT, of New College, Oxford. London, Longmans, Green & Co., 1890. — 8vo, 162 pp.

*Report from the Select Committee on Town Holdings*, together with the proceedings of the committee, minutes of evidence and appendix. Communicated from the Commons to the Lords. London, Hansard, 1890. — 4to, 372 pp.

*The Local Taxation of Chief Rents.* By Professor J. E. C. MUNRO. Publications of the Manchester Statistical Society. London, John Heywood, 1890. — 8vo, 27 pp.

Perhaps no question has been more prominently discussed in England during recent years than the incidence and reform of local taxation. We in the United States have a system which is far from perfect. But it may be confidently affirmed that in so far as purely local taxation is concerned the English conditions are less satisfactory than those of almost any other civilized nation. The English system is a tax on local real estate which has a yearly letting value, assessed to the occupier. It is a tax on annual rents, not on capital value; it does not seek to reach personality or unproductive realty; it exempts the owner. There is consequently no feature of the whole system of English finance which has aroused more discontent than this.

Boyle and Davies's *Principles of Rating* contains an admirable account of the complicated legal provisions which have grown about the originally simple law providing for the imposition of the poor rate. For all those who desire to obtain the actual facts of English local taxation — exemptions, machinery of assessment, taxation of corporations, procedure, *etc.*, it is an invaluable mine of information, richer in many respects than the standard work of Castle, *A Practical Treatise on the Law of Rating*.

More interesting than the legal aspect is the economic aspect of local taxation. The acknowledged inadequacy of the present system has led to a loud demand for reform. Among the most popular proposals have been those looking to an introduction of the American system of special assessments, and to a division of the rates between owner and occupier, whereby a larger burden may be thrown on the former. The

advocates of the landholding interests seek to meet this proposition by showing that even under the present system the incidence of the rates is mainly on the owner. The discussion has led to a wordy warfare waged in a host of pamphlets. The most pretentious argument is found in Sargant's *Urban Rating*.

Of the various forms of the real-estate tax in cities, England has known only one, *viz.*, the tax on rental value imposed on the occupier. The English economists have accordingly confined their study of incidence to this particular form, although a general study of the problem would have to include all the other forms, like the tax on the landowner, the tax on the house-owner, and the real-property tax assessed on the owner. Even in the limited field that he chooses, Mr. Sargant can scarcely be said to have written a scientific treatise. His work is simply a one-sided plea for the landowner, and does not display a great familiarity with the work of the earlier economists in treating the problem. One sample of his biased logic may be given here. Mr. Sargant correctly accepts the distinction between the constant and the variable or differential part of a local rate, — a distinction due to the fact that the rates differ from district to district or parish to parish within the same city. The differential part of the rate represents the excess above the rate uniform in all the districts. The question is of importance because all writers are agreed that only the constant part of the rate will fall on the occupier, while the remainder will tend to be borne by the building-owner, and in certain favorable cases to be shifted by him to the landowner. Now Mr. Sargant seems to make a strong point by maintaining that the differential rate amounts to two-thirds or even to three-quarters of the total local tax. In reality the contention is erroneous, because Mr. Sargant terms "constant rate" only that part of the tax which is uniform throughout the *kingdom*. This is arbitrary and absurd. In speaking of a differential rate we must always compare two houses of equal desirability or in the same neighborhood; for it is manifestly impossible to say how much of the differential rate falls on the structure, and how much on the plot. We must not compare a house in London with a house in a country parish, because it is not a question of competition between them. The rule holds good only within the narrow range of houses subject to the same competition. The problem of incidence of local taxation is not so simple as Mr. Sargant assumes.

Those who wish to see the conflict of opinion on this problem would do well to read the evidence in the latest *Report from the Select Committee on Town Holdings*. Not only Mr. Sargant, but such men as Professor Thorold Rogers, Sir Thomas Farrer and Professor Munro were examined in detail. Perhaps the most valuable and common-sense arguments are those contained in the testimony of Mr. Sidney

Webb, the well-known member of the Fabian Society. Mr. Webb seems to be better acquainted with the history of the doctrine of incidence than any of the other witnesses, and his account of "economic friction" as qualifying the somewhat absolute conclusions of earlier writers is very suggestive and in line with much of the best recent thought on the subject. But even Mr. Webb is sometimes influenced by "politics," and seeks to make out a stronger case than is warranted for the "poor occupier." Professor Munro speaks especially of the peculiar "chief-rent" system in Manchester, a subject to which he has devoted a special monograph, *The Local Taxation of Chief Rents*. Professor Munro's views are interesting, apart from the value of the facts, chiefly for the reason that he opposes Mill's doctrine of applying the theory of agricultural rent to the rent of building land, and also for the reason that in respect to the ultimate incidence of the rates he supports the conclusions of Mr. Goschen's draft report of 1870.

The incidence of taxation is perhaps the most difficult problem in the whole range of economic science. This short review is intended merely to call attention to the divergence of opinion on a small section of the great problem. For a wider discussion of the problem itself, the student is referred to a monograph by the present writer which will be published shortly. But for all those interested in practical economic questions, the works mentioned in this review will prove helpful and stimulating.

EDWIN R. A. SELIGMAN.

*The Relation of Labor to the Law of To-Day.* By Dr. LUJO BRENTANO. Translated from the German by PORTER SHERMAN, A.M. New York, G. P. Putnam's Sons, 1891. — viii, 305 pp.

This translation is a most disappointing performance. Professor Brentano has exercised a salutary influence upon educated opinion and public policy both in Germany and in England. His little treatise, *Das Arbeiterverhältniss gemäss dem Heutigen Recht*, contains in a compact form all his main positions, and it would be doing a useful piece of work to introduce it to the American public in a readable form. For books of this kind are especially wanted on this side of the Atlantic. Owing to the peculiar circumstances of the country, the well-to-do classes are twenty years behind their fellows in England in their attitude towards labor combinations. They rarely distinguish between the essential principles of unionism and the acts of violence which sometimes accompany labor disturbances; and, as the translator justly remarks, "trades unions, . . . communism, socialism, anarchism . . . are jumbled together in men's minds without discrimination, and condemned in the lump."